

Community Connect Broadband Grant Program

Frequently Asked Questions

Q: We would like to serve our entire rural county with our project. May we use data for the county to determine rurality and economic need scoring criteria?

A: A county is not an eligible community in this program. A *community* for the purpose of this program means any incorporated or unincorporated town, village, or borough recognized in the latest decennial census as published by the Bureau of the Census or in the most recent edition of a Rand McNally Atlas that is located in a Rural Area. This is a community based program. Your project must serve one and only one rural (not more than 20,000 population) community. It is possible that county data would be necessary to determine your community's Economic Need score if your Community is not identified in the US Census but is identified in the latest edition of the Rand McNally Atlas. If the community was qualified using the Rand McNally Atlas, the applicant must use the MHI, contained in the decennial census, of the county in which the Community resides as the Community MHI.

Q: We would like to establish a system that will serve a region that includes several communities, rather than just one community. Smaller communities alone cannot sustain an infrastructure after the grant has expired, but a group of communities could benefit from economies of scale.

A: Each application must serve one and only one rural U.S. Census community. We agree with your belief that communities that can be grouped present a more attractive business case than communities that cannot. Commercial providers will serve these communities long before they will serve isolated communities. This program and its scant resources are for these isolated communities who do not attract other providers.

Q: Is there a list of communities in the U.S. that have broadband and those that don't?

A: We are not aware of any such list. Most applicants conduct independent research to determine if a community has broadband or they are already sufficiently familiar with the community to know that there isn't any broadband available. On the Telecommunications Program website, there is a listing of communities with approved and pending broadband loan applications, however these communities are not automatically excepted from the Community Connect Grant Program (for the list see: <http://www.usda.gov/rus/telecom/index.htm>, then choose "Broadband Communities Listing of Approved & Pending Loan Applications"). Broadband availability is changing all the time. We check communities for broadband availability prior to making the grant awards.

Q: Our community has broadband DSL in a few central locations, but not in the whole community. Many areas of our community are not served. May we apply to extend broadband service to these unserved locations?

A: Projects must serve a rural area throughout which Broadband Transmission Service does not currently exist.

Q: There is a business in our community that has a T-1 line. However there is no other broadband available in the community. Is our community eligible?

A: Although a T-1 line certainly meets the 200 kbps broadband definition, it is not what we consider "broadband availability" when considering the price. T-1 lines are very expensive and usually out of reach of affordability for most residents, as well as many small businesses. Communities with only business broadband services, but no residential broadband service available, do meet the "no broadband available" eligibility requirement.

Q: We are a community that is interested in applying for a grant, but we intend to contract out the provision of broadband service. Is this an eligible project structure?

A: No, the applicant must own and operate the broadband facilities proposed in its application. The applicant may not contract the provision of broadband service. If your community does not intend to own the broadband facilities, a commercial broadband service provider may be the legal applicant. The community may support the applicant in the preparation of its application and provide letters of support, to enhance the application.

Q: We are a school (or community college, or university). May we apply to this grant program?

A: Yes, a school may apply. However, a school, just like all applicants, must fulfill all the requirements for an eligible applicant, including that it must have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations. The school, if it is the applicant, may not contract the provision of broadband service. Schools or communities may also wish to consider locating a service provider to be the legal applicant which would serve the community in which the school is located.

Q: Are incumbent local exchange carriers eligible for grant money?

A: Yes, as long as they meet all the applicant eligibility requirements. Incumbent local

exchange carrier applicants should keep in mind that facilities financed may not be used, in any way, to provide local exchange telecommunications service to any person or entity where it currently exists.

Q: What type of broadband technology may be used in this program?

A: A project may use any technology that meets the definition of 200 kbps in each direction and is offered to residents and businesses at a reasonable price. Examples of technologies funded to date include: DSL, terrestrial wireless, cable modem, and fiber to the premises (FTTP).

Q: For our project we would like to combine a T-1 backbone with terrestrial wireless distribution technology. Is this type of project eligible?

A: Yes, as long as it meets all the service requirements and offers residential service at a reasonable price.

Q: The median household income (MHI) shown in the U.S. census does not adequately reflect the economic need of our community. May we use other criteria, for example, median family or per capita income?

A: No. The median household income is the standard measure of economic need for this program. A revised 7 CFR Part 1739 was published on August 3, 2007 to help address this issue. Per capita income was used as the standard measure of economic need in this program up until fiscal year 2008. The change in this program's income measure from a national comparison to a state comparison and using the communities' median household income compared to their state's median household income was done to help qualify Rural Communities that have been previously excluded because their per capita personal income is relatively high in comparison to the national average. Given the variable cost of living among the states, the comparison of state statistics is a better indicator of economic distress. At this time we believe it predicts a community's market potential for broadband connectivity.

Q: Broadband satellite service is available in our community. Is our community eligible?

A: Yes, because we do not consider satellite service to be available broadband. Satellite broadband is generally available throughout the nation, and if we consider it to be "available broadband", no community in the nation would be eligible for this program. Congress continues to appropriate funding for the program and Congress is certainly aware of the availability of satellite broadband. The principal characteristic that sets satellite broadband apart from cable modem and DSL is pricing. For many rural households, satellite broadband is not affordable. If at some point satellite broadband

becomes comparable in cost to terrestrial services available in urban areas, the focus of the program would need to change.

Q: Can a subsidiary use its parent company's Dun & Bradstreet (DUNS) number?

A: No. As required by the Office of Management and Budget, all applicants for grants must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number. Obtaining a DUNS number costs nothing but requires a telephone call to Dun and Bradstreet (1-866-705-5711). Please see this website for more information:

http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf

Q: Is there a formula to calculate bandwidth expenses?

A: No. Bandwidth expenses are usually based on how much bandwidth is needed for the project, how far the project is located from an Internet POP and who the service provider is.

Q: Is it acceptable to use state or other federal funding to satisfy the required 15% matching contribution?

A: Any financial assistance from federal sources shall not be considered as a Matching Contribution unless there is a federal statutory exception specifically authorizing the federal financial assistance to be considered as such. State funding may be used as an acceptable match. These funds however, must be in place by the time the application is submitted with substantial documentation located in Schedule – J, supporting these funds. In addition, the funds provided by the state must finance an eligible CC grant purpose.